Dale (Zeke) Robertson Senior Vice President



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EX PARTE UP LATE FILED

June 24, 1997

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EX PARTE PRESENTATION

JUN 24 1997

Mr. William F. Caton Acting Secretary Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Re: In the Matter of Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Oklahoma, CC Docket No. 97-121

Dear Mr. Caton:

In accordance with the Commission's rules governing ex parte presentations, please be advised that yesterday James D. Ellis, Martin E. Grambow, Todd F. Silbergeld, and the undersigned, representing SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. (together "Applicants"), met in separate meetings with the following Commissioners and staff in connection with the above-referenced proceeding: (1) Commissioner Susan Ness and James L. Casserly; (2) Commissioner Rachelle B. Chong, Dan Gonzalez, and Tom Zagorsky; (3) Blair Levin and Tom Boasberg; (4) Christopher Wright, Suzanne Tetreault, Marjorie Bertman, James Carr, Paula Silberthau, and Craig Brown; and (5) John Nakahata. The purpose of the meeting was to discuss the Applicant's legal basis underlying its application to provide in-region, interLATA telecommunications services in the State of Oklahoma.

In response to questions as to why Brooks Fiber Properties, Inc. (Brooks Fiber) is not serving more residential customers, we explained our belief that this is due to the internal business decisions and plans of Brooks Fiber and not to any failure by Southwestern Bell to make the "competitive checklist" available. In support of Southwestern Bell's position, we presented to the Commissioners, their staffs, and representatives of the General Counsel's office, the attached maps of Oklahoma City and Tulsa depicting the approximate location of the Brooks Fiber networks, some of the customers that we believe Brooks Fiber is serving, and some of the multiple dwelling units (MDUs), with the number of apartments located in each MDU, in close proximity to the Brooks Fiber networks in each city. We explained that if Brooks Fiber is capable of serving business customers located along its networks in each of these cities, there is no technical reason why

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Brooks Fiber is incapable of serving residential subscribers living in the MDUs located along these same networks. Moreover, we explained that, in those cases where the MDUs are located right along side the Brooks Fiber networks, Brooks Fiber ought to be able to serve these MDUs without the use of any facilities obtained from Southwestern Bell. This information is approximate, and is based upon public and non-proprietary sources and data. The actual network configuration and location of customers served by Brooks Fiber would have to be obtained from Brooks Fiber.

With respect to the legislative history underlying Section 271 of the Act, 47 U.S.C. § 271, Applicants attach a list of examples of facilities-based cable-telephony services being provided or tested during consideration of the Telecommunications Act of 1996 by Congress. This information is relevant to Applicants' position concerning its use of Section 271(c)(1)(B) of the Act as a basis for the instant application.

As stated previously, in the remaining time the Commission has to review the Section 271 Application, the Applicants will make available to the Commission or its staff any affiant or officer, employee, or other subject matter expert having knowledge of the facts underlying its application. In addition, the Applicants invite the Commission and its staff to visit the State of Oklahoma, and the Oklahoma Corporation Commission and its staff in order to verify for itself Applicants' compliance with Section 271(c). The Applicants urge the Commission and its staff to take advantage of this offer in order to resolve any disputed facts with respect to the Applicants' compliance with Subsections 271(d)(3)(A) and (B). In doing so, the Applicants believe that the Commission can eliminate any disagreement as to the applicable facts, and thus be in a position to issue a written determination approving or denying the requested authorization based upon the law and Commission precedent surrounding the "public interest" test.

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Should you have any questions concerning the foregoing, do not hesitate to contact me. In accordance with the Commission's rules, an original and one copy of this notification are submitted herewith.

Very truly yours,

Dale Robertson

Attachments

cc: The Hon. Susan Ness (w/o maps)

The Hon. Rachelle B. Chong (w/o maps)

Mr. James L. Casserly (w/o maps)

Mr. Dan Gonzalez (w/o maps)

Mr. Tom Zagorsky (w/o maps)

Mr. Blair Levin (w/o maps)

Mr. Tom Boasberg (w/o maps)

Mr. Christopher Wright (w/o maps)

Ms. Suzanne Tetreault (w/o maps)

Ms. Marjorie Bertman (w/o maps)

Mr. James Carr (w/o maps)

Ms. Paula Silberthau (w/o maps)

Mr. Craig Brown (w/o maps)

Mr. John Nakahata (w/o maps)

CABLE TELEPHONY SERVICES DURING CONSIDERATION OF THE TELECOMMUNICATIONS ACT OF 1996

Rochester, NY. Time Warner began testing telephony over its cable network in March 1994.¹ By October 1995, Time Warner served 50 customers, planned to install an AT&T 5ESS switch, and was expanding its service area neighborhood-by-neighborhood.²

Alexandria, VA. MCI and Jones Intercable began offering telephone service to Jones employees in October 1994.³ Market trials of long-distance service were conducted in 1994.⁴

Syracuse, NY. NewChannels began testing telephony over its network in December 1994, and planned full-scale residential service by the end of 1995.⁵ NewChannels commenced serving its first telephone exchange service customer on a trial basis in March 1995.⁶

Orlando, FL. Time Warner began providing telephone, cable, and interactive services over its Full Service Network in December 1994. As of Spring 1995, Time Warner planned to reach its goal of 4,000 customers by January 1, 1996.⁷

Long Island, NY. Cablevision Lightpath began providing telephony over cable beginning in February 1995, with the expectation of offering residential and small business services. Cablevision initially served 53 employee homes. By December 1995, Cablevision had 175 business customers and was preparing to offer residential service on a commercial basis. December 1995, Cablevision had 175 business customers and was preparing to offer residential service on a commercial basis.

¹Cable Telephony Continues to Spark Connection in the U.S., Abroad, Inside Telecom, Apr. 17, 1994.

²Mary Morgan, <u>TWC Moves Cautiously Into Telephone Market</u>, Rochester Business Journal, Oct. 13, 1995, at 6; Martyn F. Roetter, <u>Local Is as Local Does</u>, Telephony, Mar. 20, 1995, at 44.

³Kathy Haley, A Focus on the Customer, Broadcasting & Cable, Nov. 28, 1994, at S4.

⁴Sean Scully, MCI To Launch Two Cable-Telco Tests, Broadcasting & Cable, Nov. 29, 1993, at 91.

⁵NewChannels Connected, Multichannel News, Jan. 16, 1995, at 43.

⁶Paul Bernier, NewChannels Adds Second Test for Telephony Over Cable, Telephony, Mar. 27, 1995, at 1.

⁷Jon Pessah, <u>Breaking the Sound Barrier</u>, Newsday, Mar. 6, 1995, at C01.

⁸Peter Marks, <u>NYNEX, Ending Monopoly, Would Let Cable Business Offer Home Phone Service</u>, N.Y. Times, Feb. 17, 1995, at B5.

⁹Fred Dawson, <u>Two-Way Plant "Performing Well" at Cablevision</u>, Multichannel News, Feb. 27, 1995, at 47.

¹⁰Fred Dawson, <u>Cablevision Maps '96 Telephony</u>, <u>Modem Plans</u>, Multichannel News, Dec. 18, 1995, at 45.

Arlington Heights, IL. Teleport was slatted to begin a technical trial of telephone service to residences using TCI's cable network and its own switch in March 1995.¹¹ TCI and Teleport tested cable telephony in 25 employee homes in 1995 and 1996.¹²

Brookhaven, NY. Teleport announced plans to offer local service using TCI's cable network in 1995.¹³

Wheaton, IL. MCI and Jones Intercable planned to serve as many as 1,000 residences on a trial basis by the end of 1995.¹⁴

Ohio. Time Warner planned to offer cable telephony services in 37 counties in Ohio, including the cities of Columbus and Cincinnati, commencing in 1995.¹⁵

New York, NY. Time Warner announced plans in late 1994 to offer local telephone service, commencing in 1996.¹⁶

¹¹Kent Gibbons, <u>Chicago is Bullish on Competition for Telephony</u>, Multichannel News, Nov. 28, 1994, at 42; <u>Chicago-Area Trial Could Be Predecessor to Local PCS Network</u>, Advanced Wireless Communications, Oct. 26, 1994.

¹²Kent Gibbons, <u>TCI Phone Unit Wins Go-Ahead in Illinois</u>, Multichannel News, July 29, 1996, at 3.

¹³Jon Pessah, Perfect Vision, Newsday, May 8, 1995, at C01.

¹⁴Peter J.W. Elstrom, Ringing Up Revolution, Crain's Chicago Business, Jan. 16, 1995, at 15.

¹⁵Kent Gibbons, <u>Time Warner Dials up NYC</u>, Multichannel News, Nov. 14, 1994, at 4; Mike Boyer, <u>Phone Home Via Cable: Time Warner Laying Lines in Effort to End Monopoly</u>, Cincinnati Enquirer, Nov. 21, 1994, at D1.

¹⁶Kent Gibbons, <u>Time Warner Dials up NYC</u>, Multichannel News, Nov. 14, 1994, at 4.

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